

Comptroller's Directive No. 2-07
Attachment HE-3
On-Behalf Payments

Purpose

DOA must include disclosures for on-behalf payments in the CAFR footnotes. GASBS No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, defines on-behalf payments as: Direct payment for fringe benefits and salaries made by one entity (the paying entity) to a third-party recipient for the employees of another, legally separate entity (the employer). On-behalf payments include:

- pension plan contributions,
 - employee health and life insurance premiums, and
 - salary supplements or stipends.
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Applicable institutions

All institutions **must** complete this attachment.

Due date

August 16, 2007

Certification (new tab)

The **Certification** tab is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed; the information is both complete and accurate; and the preparer and reviewer were not the same individual for any tab.

Other changes from the prior year

The financial statement template revenue line items reported on TAB 1-Att should only be program revenue line items. For FY 2006, these amounts were primarily reported on the program revenue-operating grants & contributions line item. The drop-down list include only program revenue line items.

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**Submission
requirements**

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution's acronym followed by Attachment HE-3. For example, VCCS should rename the Attachment HE-3.xls file as VCCS Attachment HE-3.xls.

DOA's e-mail address has changed from the prior year. Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of this spreadsheet.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab (RCL) in the attachment Excel file.**

Enter the revision date, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

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**Revenue and
expenditures**

The employer should recognize revenue and expenditures for on-behalf payments for:

- fringe benefits and salaries equal to the payments received, and
- fringe benefits and salaries that are receivable at year-end for the current fiscal year.

Governmental colleges and universities are required to report the effect of on-behalf contributions to retirement systems as part of the college or university operations. Amounts directly paid into state or local retirement systems by the appropriating government on-behalf of the college should be recorded as revenue of the institution.

Footnotes

The employer should disclose in the financial statement notes the amounts recognized for on-behalf payments for fringe benefits and salaries.

For on-behalf payments that are contributions to a pension plan for which the employer government is not legally responsible, the employer government should disclose:

- the name of the plan, and
 - the name of the entity making the contribution.
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**Significant
intrafund
activity**

Significant Intrafund Activity Amounts: Some on-behalf payments are from foundations/entities considered discrete component units of the higher education institution under GASBS No. 39. If these amounts are significant, they must be eliminated on the Elimination Entries to FST tab in the Attachment HE-10, Financial Statement Template, to avoid double counting activity. The last column on this attachment asks whether any amounts on this attachment will be eliminated.

Note: Significance must be determined by each higher education institution using professional judgment.

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